

## Fund Update

### CareSaver KiwiSaver Scheme: CareSaver Balanced Fund

---

Quarter ended 31 March 2020

This fund update was first made publicly available on 1<sup>st</sup> May 2020

#### What is the purpose of this update?

This document tells you how the **CareSaver Balanced Fund** has performed and what fees were charged. The document will help you to compare the fund with other funds. Pathfinder Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

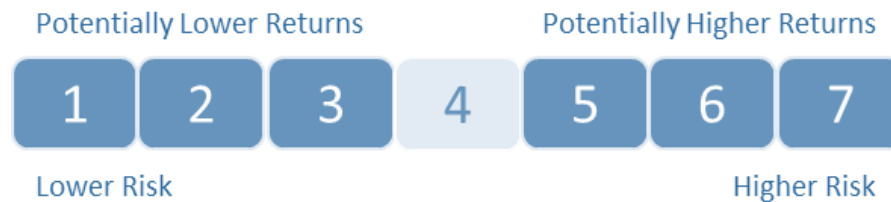
#### Description of this fund

The fund is an ethical portfolio with a balance between growth assets and income assets. This Fund's value is likely to fluctuate more than the Conservative Fund but less than the Growth Fund.

|                             |                            |
|-----------------------------|----------------------------|
| Total value of the fund     | \$5,222,070                |
| Number of Investors in Fund | 143                        |
| The date the fund started   | 23 <sup>rd</sup> July 2019 |

#### What are the risks of investing?

Risk indicator for the CareSaver Balanced Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the last 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (**PDS**) for more information about the risks associated with investing in this fund.

Also, see Note 1 for information on the risk indicator calculation.

## How has the fund performed?

|   | Past Year |
|---|-----------|
| <b>Return since inception</b><br>(after deductions for charges and tax)           | N/A       |
| <b>Return since inception</b><br>(after deductions for charges but before tax)    | N/A       |
| <b>Market index annual return</b><br>(reflects no deductions for charges and tax) | -5.75%    |

The Market Index is a composite index made up of; 10% Bloomberg NZBank Bill Index, 30% Bloomberg Barclays Global Aggregate Unhedged (USD) & 60% Morningstar Developed Markets Net Index (70% hedged to NZD).

Additional information about the index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) (search Offers, using Offer OFR12681, Documents, Other Material Information).

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

Investors in the CareSaver Balanced Fund are charged fund charges. In the year to 31 March 2020 these were:

|  | % of net asset value       |
|--|----------------------------|
| Total fund charges                                       | 1.12%                      |
| <b>Which are made up of:</b>                             |                            |
| <b>Total management and administration charges</b>       | 1.12%                      |
| <b>Including:</b>  |                            |
| Manager basic fee  | 1.10%                      |
| Other management and administration expenses (estimated) | 0.02%                      |
| <b>Other Charges</b>                                     |                            |
| Administration and member fees                           | \$27 per investor per year |

**Individual action fees:** There are no individual action fees.

## Example of how this applies to an investor\*

Small differences in fees and charges can have a big impact on your investment over the long term.

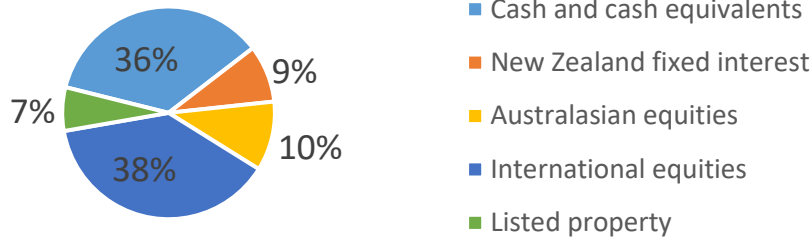
Tara had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Tara incurred a loss of -\$575 (that is -5.75% of her initial \$10,000). Tara also paid \$27 in other charges. This gives Tara a total loss after fees and charges of -\$602 for the year.

\*As the fund has not been in existence for a full calendar year, the figures in this example are based on the market index annual return, with no adjustment for management fees. For actual returns see [www.CareSaver.co.nz](http://www.CareSaver.co.nz).

## What does the fund invest in?

This shows the type of assets that the fund invests in.

### Actual investment mix



\*Note that Listed Property is included in the International and Australian Equities Target Investment mix

### Target investment mix

|                            |     |
|----------------------------|-----|
| Cash and cash equivalents  | 10% |
| NZ Fixed Income            | 10% |
| International Fixed Income | 20% |
| Australian Equities        | 15% |
| International Equities     | 45% |
| Other Assets               | 0%  |

## Top 10 investments

|    | Name  | Percentage of fund net assets | Type                      | Country | Credit Rating |
|----|---|-------------------------------|---------------------------|---------|---------------|
| 1  | Cash at Bank - NZD - Interactive Brokers          | 42.39%                        | Cash and cash equivalents | NZ      | BBB+          |
| 2  | BCHINA Term Deposit 2.65% 13/12/2019 12/06/2020   | 3.86%                         | Cash and cash equivalents | NZ      | A+            |
| 3  | BNZ Term Deposit 2.82% 19/12/2019 19/06/2020      | 3.38%                         | Cash and cash equivalents | NZ      | AA-           |
| 4  | Westpac Term Deposit 2.71% 20/12/2019 18/05/2020  | 3.38%                         | Cash and cash equivalents | NZ      | AA-           |
| 5  | RUA Bioscience                                    | 1.88%                         | Australasian equities     | NZ      |               |
| 6  | Microsoft Corporation                             | 1.85%                         | International equities    | US      |               |
| 7  | Forest SPV Loan 12% 10092021                      | 1.63%                         | Cash and cash equivalents | NZ      | Unrated       |
| 8  | LLPFSPVL Syndicated Loan 12%20/11/2019 10/09/2021 | 1.34%                         | International equities    | US      | Unrated       |
| 9  | NEXTDC Ltd  | 1.29%                         | Listed property           | AU      |               |
| 10 | Equinix Inc                                       | 1.27%                         | Listed property           | US      |               |

The top 10 investments make up 65.24% of the fund. See Note 2 for important information on the 'Cash at Bank – NZD'.

*Currency hedging:* Changes in the value of the NZ dollar relative to other currencies can have a big impact on your investment over the long term. The effective currency hedging level implemented in the fund at the quarter end was 70% of the fund value (this will change over time).

## Key personnel

|   | Name          | Current position                                       | Time in current position | Previous or current other position | Time in previous or other current position |
|---|---------------|--|--------------------------|------------------------------------|--|
| 1 | John Berry    | Pathfinder Asset Management - Chief Executive Officer  | 11 years                 | Deutsche Bank - Consultant         | 4 years, 9 months                          |
| 2 | Paul Brownsey | Pathfinder Asset Management - Chief Investment Officer | 11 years                 | Deutsche Bank - Director           | 5 years                                    |

## Further information

You can also obtain this information, the PDS for CareSaver KiwiSaver Funds, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes

- 1) **Risk indicator:** This risk indicator is not a guarantee of a fund's future performance. Market index returns as well as the fund's actual returns have been used to fill in the risk indicator because the risk indicator is calculated using returns data for the five-year period ending on 31 March 2020. Market index returns have therefore been used for the period from 1 April 2015 to July 2019 when the fund was not in existence or available for investors, and actual fund returns have been used since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.
- 2) **'Cash at Bank – NZD':** The fund uses foreign currency cash accounts which can be both positive and negative balances. If all cash positions are netted, the overall cash holding in NZD is 30.61% of the fund net assets.

